

REMARKS

Applicant appreciates the time taken by the Examiner to review Applicant's present application. This application has been carefully reviewed in light of the Official Action mailed March 22, 2007. This Reply encompasses a bona fide attempt to overcome the rejections raised by the Examiner and presents amendments as well as reasons why Applicant believes that the claimed invention is novel and unobvious over the applied prior art. Accordingly, Applicant respectfully requests reconsideration and favorable action in this case.

Rejections under 35 U.S.C. § 103

Claims 1-36 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,974,396 ("Anderson") in view of a press release by Newswire "net.Genesis Announces Most Valuable Customer" ("Newswire"). The rejection is respectfully traversed. Independent claims 8, 22, and 31 recite claim limitations similar to those set forth in independent claim 1. Accordingly, traversal to the rejection of claims 1-36 will be collectively discussed below with respect to independent claim 1.

To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

This reply fully incorporates arguments submitted in the previous Reply dated December 21, 2006 ("Previous Reply"). As described in the specification, embodiments of the invention provide a system and method for analyzing transactions at an electronic exchange to generate useful and meaningful market level information for suppliers participating at the electronic exchange. As respectfully submitted in the Previous Reply, the primary reference, Anderson, neither expressly nor inherently describes a market analysis system comprising a software program stored on a computer readable medium executable to "receive a set of transaction data from an electronic exchange." The examiner acknowledged this deficiency in the Office Action, page 3, "Anderson does not explicitly disclose where the market transactions are conducted electronically via the Internet." However, the examiner, citing Newswire's press release on net.Genesis Corp.'s Most Valuable Customer segmentation package, argued that "it would have been obvious to include the teachings of Newswire to the disclosure of Anderson so

that as e-businesses continue to proliferate, so too will the need to evaluate online sales and market initiatives. By utilizing Internet sales as well as traditional sale, the system of Anderson can have a more holistic view of customer purchasing information." Applicant respectfully disagrees.

As discussed in MPEP § 2143.01, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify or combine reference teachings. Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so. *In re Kahn*, 441 F.3d 977, 986, 78 USPQ2d 1329, 1335 (Fed. Cir. 2006) (discussing rationale underlying the motivation-suggestion-teaching requirement as a guard against using hindsight in an obviousness analysis). The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 USPQ2d 1430 (Fed. Cir. 1990). Although a prior art device "may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so." 916 F.2d at 682, 16 USPQ2d at 1432.). See also *In re Fritch*, 972 F.2d 1260, 23 USPQ2d 1780 (Fed. Cir. 1992).

As noted in a recent Supreme Court decision *KSR Int'l Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007), it is important to identify an apparent reason that would have prompted a person of ordinary skill in the relevant field to combine the prior art elements in the manner claimed. Applicant submits that no such apparent reason can be found in Anderson and Newswire.

As specifically described in the portion relied on by the examiner, net.Genesis Corp.'s Most Valuable Customer (MVC) segmentation package empowers e-businesses to quickly identify their best and worst customers. Further, as the examiner pointed out, "Information derived from MVC's sophisticated visitor segmentation model greatly enhances an e-business ability to gain a holistic view of their best and worst online customers." See Office Action, page 3.

However, Anderson describes a retailer having POS terminals at physical locations. Anderson does not describe e-businesses. Anderson appears to be silent as to an e-business Web site's bottom-line business effectiveness. Anderson does not seem to be concerned with processing electronic transactions for e-businesses. As submitted in the Previous Reply, the

integrated system of Anderson, referred to as the frequent shopper system, is said to provide a retail business entity with the ability to determine and analyze buying behaviors of its retail customers at the retailer's physical point of sale (POS) locations. See, Anderson, col. 5, lines 49-54. Anderson describes the exchange of product and payment at each physical location. Thus, Anderson appears to be limited to providing information to a "brick and mortar" retailer regarding the product transactions at the retailer's POS physical locations and irrelevant to net.Genesis's e-businesses having different online customer segments on the Web. Since net.Genesis's MVC segmentation package does not apply to brick and mortar retail store chains, there was/is no apparent reason that would have prompted a person of ordinary skill in the relevant field at the time of the invention to combine net.Genesis's MVC segmentation package with Anderson's system in the manner claimed in claim 1, the proliferation of e-businesses notwithstanding.

The desirability of the combination of Anderson and Newswire is not found in the references themselves. Thus, it would seem that the rejection is based on facts within the personal knowledge of the examiner. If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2).

In response to Applicant's arguments submitted in the Previous Reply, the examiner held that "POS terminals are still electronic exchanges, given the broadest reasonable interpretation of the claim language, as the data gleaned from these POS terminals is done via bar code scanning or magnetic strip reading (citation omitted)." See Office Action, page 10. Applicant respectfully disagrees. Gleaning data via bar code scanning or magnetic strip reading is not an electronic exchange (i.e., bar code scanners and magnetic strip readers do not give anything back in exchange for the data gleaned). The interpretation of a POS terminal as an electronic exchange is not at all consistent with the specification.

As pointed out by the examiner on page 12 of the Office Action and in accordance with MPEP 2111, during patent examination, the pending claims must be "given their broadest reasonable interpretation consistent with the specification." The Federal Circuit's *en banc* decision in *Phillips v. AWH Corp.*, 415 F.3d 1303, 75 USPQ2d 1321 (Fed. Cir. 2005) expressly recognized that the USPTO employs the "broadest reasonable interpretation" standard:

The Patent and Trademark Office ("PTO") determines the scope of claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction "in light of the specification as it would be interpreted by one of ordinary skill in the art." *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364[, 70 USPQ2d 1827] (Fed. Cir. 2004). Indeed, the rules of the PTO require that application claims must "conform to the invention as set forth in the remainder of the specification and the terms and phrases used in the claims must find clear support or antecedent basis in the description so that the meaning of the terms in the claims may be ascertainable by reference to the description." 37 CFR 1.75(d)(1).

Therefore, the broadest reasonable interpretation of the claim language must be consistent with the specification as it would be interpreted by one of ordinary skill in the art in light of the specification. For discussion, claim 1 is reproduced below:

A market analysis system comprising:

- a computer processor;
- a computer readable storage medium;
- a database stored on the computer readable storage medium comprising aggregate market data; and
- a software program stored on the computer readable storage medium executable to:
  - receive a set of transaction data from an electronic exchange where market transactions are conducted electronically via the Internet;
  - store the set of transaction data in the database;
  - define a standard pricing group from the aggregate market data; and
  - apply a statistical analysis to the standard pricing group.

Consistent with the Specification, pages 6-7, paragraphs 16-20, the claim term "transaction data" refers to data regarding transactions that occurred at an electronic exchange. Electronic exchanges, including business web sites, use computer systems to facilitate market transactions between purchasers of products and services and suppliers of those products and services. As they conduct market transactions electronically via the Internet, many factors can affect the price of products or services. *Id.* at 17. In order to fully understand a market and to make informed pricing decisions, suppliers must be able to analyze the transactions that occur in a market. *Id.* To this extent, embodiments of the invention as recited in claim 1 are patently

different from the combination of Anderson's data flow and net.Genesis's MVC segmentation package which segments the market. For example, nothing in Anderson and Newswire describe or suggest "define a standard pricing group from the aggregate market data; and apply a statistical analysis to the standard pricing group," as recited in claim 1. The cited portion of Anderson (col. 3, line 65-col. 4, line 6, col. 5, lines 55-61, and col. 6, lines 16-22) describes a user interface at the retail store or at the supervisory retail processor that allows a retailer to input specific queries to the system to retrieve particular types of information from the relational database for the purposes of determining purchasing behaviors of retail consumers, the effectiveness of promotional efforts with respect to particular products, and ascertaining particular characteristics of consumers purchasing particular products. Anderson uses conventional marketing analysis tools to create value-added information targeted to particular consumers and conventional means (e.g., advertisements, newsletters, coupons, etc.) for communicating that information with a consumer.

As submitted in the Previous Reply, Anderson simply suggests that retailers may use these conventional software market analysis tools to analyze buying behaviors and patterns based on known data extracted from a consumer purchase repository. See Anderson, col. 6, lines 36-44. In the Office Action, page 11, the examiner simply recited the same portion of Anderson that describes using these conventional software market analysis tools. What is missing from Anderson is any teaching of a market analysis system that can "*define* a standard pricing group from the aggregate market data" and "apply a statistical analysis to *the* standard pricing group" thus defined. These claim limitations, as well as the deterministic relationship between them (e.g., defining a standard pricing group from the aggregated market data and applying a statistical analysis thereto at a market analysis system) are absent in Anderson and Newswire. Accordingly, Anderson and Newswire fail to teach each and every claim limitation as recited in claims 1-36. Applicant further respectfully submits that not all words in claims 1-36 appear to have been considered in the Office Action. For example, the rejection does not articulate how Anderson and Newswire apply to "standard *pricing* group". "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970). Distilling an invention down to the "gist" or "thrust" of an invention disregards the requirement of analyzing the subject matter "as a whole." *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984).

With respect to the examiner's statement on page 13 of the Office Action with regard to claims 13-14 and 16-18, analyzing buying behaviors and patterns based on known data extracted from a consumer purchase repository cannot be reasonably interpreted as a selection of a statistically analysis model to apply to a standard pricing group, not the least of which is because Anderson and Newswire do not seem to be concerned with pricing products or services provided by various suppliers at an electronic exchange. Unlike embodiments of the invention as claimed in claims 1-36, Anderson and Newswire are not concerned with pricing products or services at the market level.

With respect to the examiner's statement on page 13 of the Office Action with regard to claim 9, the examiner's attention is respectfully directed to paragraph 24 on page 9 of the specification as originally filed in which market level data is described as data regarding or derived from groups of market transactions carried out by "various suppliers." One of ordinary skill in the art at the time of the invention would have readily recognized that even a single auction website would have various suppliers in order to offer products from medieval cookbooks to Internet routers. See Specification, page 10, paragraph 26. One embodiment of supplier manager 216, described on page 11, paragraph 28, of the specification as originally filed, can manage information regarding suppliers that participate in an electronic exchange and can facilitate the comparison between a particular supplier's transactions with the transactions of other suppliers or with the market as a whole. Applicant has not made any attempt to add new matter as the examiner has alleged. Because the transactions that occur at an electronic exchange may be for unrelated products or services, a market analysis system as claimed in claim 1 may define a standard pricing group to include comparable products or services and apply an appropriate statistical analysis to that group accordingly. As an example, all transactions that occur in the United States may be defined to be in a different standard pricing group than transactions that occurred in Europe. See Specification page 11, paragraph 27. Anderson and Newswire do not teach or suggest such a market analysis system as claimed in claim 1. The product clustering technique according to Anderson might help a POS retailer in understanding consumer behaviors and purchasing patterns and the market segmentation of Newswire might help e-businesses characterize best and worst customers, but they do not help suppliers of products or services analyzing aggregated market data and pricing their products or services accordingly at the market level.

With respect to the examiner's statement on pages 14-15 of the Office Action, Applicant maintains that the claim language is patently different from Anderson as well as from Newswire.

In light of the specification, one of ordinary skill in the art would have readily recognized the numerous fundamental differences between the invention as set forth in claims 1-36 and Anderson and Newswire. As particularly pointed out in the Previous Reply, page 16, embodiments of the invention as claimed in Claims 1-36 are directed to a system and method for analyzing market transactions conducted electronically via the Internet. One advantage of the claimed invention is its ability to derive meaningful market level statistical analysis results drawing from market transactions among various sellers and buyers exchanging disparate products and services over the Internet. In this way, a supplier's performance can be compared to that of the market as a whole.

As submitted above, all words in a claim must be considered in judging the patentability of that claim against the prior art. Applicant respectfully submits that each and every claim limitation, when properly interpreted in light of the specification, patentably distinguishes Anderson and Newswire. For example, the examiner appears to believe that gleaning data at Anderson's POS terminal is an electronic exchange. However, as submitted above, such an interpretation is inconsistent with the specification. As another example, the examiner appears to believe that the product clustering technique according to Anderson is the same as defining a standard pricing group from the aggregate market data from an electronic exchange. However, as submitted above, this interpretation is also inconsistent with the specification. The Previous Reply which is fully incorporated herein contains additional specific arguments as to why Anderson is different from the invention as claimed in claims 1-36.

In light of the specification, one of ordinary skill in the art at the time of the invention would have readily recognized that Anderson and net.Genesis's MVC segmentation package perform fundamentally different operations for fundamentally different purposes. For example, unlike Anderson and Newswire, embodiments of the invention as claimed in claims 1-36 can analyze transactions at the market level (e.g., data regarding or derived from groups of market transactions carried out by various suppliers) to facilitate suppliers making informed buying and selling decisions. See Specification, page 6, paragraph 17, page 9, paragraph 24. Another fundamental difference is evidenced in how market data is utilized. For example, unlike Anderson which describes creating targeted information and communicating that information to particular consumers, embodiments of the invention can protect the identity of parties involved in market transactions at an electronic exchange while facilitating suppliers making informed buying and selling decisions utilizing the market transactions. See, e.g., Specification, page 8, paragraph 22.

Accordingly, withdrawal of this rejection is respectfully requested.

Conclusion

Applicant has now made a bona fide attempt to place this case in condition for allowance. Other than as explicitly set forth above, this reply does not include any acquiescence to statements, assertions, assumptions, conclusions, or any combination thereof in the Office Action. For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests full allowance of Claims 1-36. The Examiner is invited to telephone the undersigned at the number listed below for prompt action in the event any issues remain.

The Director of the U.S. Patent and Trademark Office is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 50-3183 of Sprinkle IP Law Group.

Respectfully submitted,

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Date: June 22, 2007

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